

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER APPROVING THE)	
ESTABLISHMENT OF REGULATORY ASSETS FOR THE)	CASE NO.
DEPRECIATION AND ACCRETION EXPENSES)	2014-00432
ASSOCIATED WITH ASSET RETIREMENT OBLIGATIONS))	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due within seven days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

EKPC shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

EKPC fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a document containing personal information, EKPC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to the application for rehearing, page 8, regarding the \$2,149,889 of the 2014 total Asset Retirement Obligation (“ARO”) that remained on EKPC’s financial statements and resulted in a corresponding reduction of 2014 margins. If the Commission were to approve EKPC’s request in the instant case, explain any changes that would be made to EKPC’s 2014 financial statements regarding the \$2,149,889 that remained on EKPC’s financial statements due to the original Order.

2. Refer to EKPC’s response to Commission Staff’s Rehearing Request for Information, Item 1, pages 7-9, regarding the ARO example. In the same format used in the example, based on the amount of ash transfer costs of \$9,866,193 approved in Case No. 2014-00252,¹ provide the relevant calculations including the ARO-related depreciation and accretion expenses’ impacts on EKPC’s financial statements. Include

¹ Case No. 2014-00252, *Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience for Construction of an Ash Landfill at J.K. Smith Station, the Removal of Impounded Ash from William C. Dale Station for Transport to J.K. Smith and Approval of a Compliance Plan Amendment for Environmental Surcharge Recovery* (Ky. PSC Mar. 6, 2015).

a detailed narrative description of the calculations and the reasoning supporting the calculations.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED **MAY 29 2015**

cc: Parties of Record

*East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

*Mark David Goss
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504